

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

1169082 B.C. Ltd (the "Company")  
5728 East Boulevard  
Vancouver, BC V6M 4M4

2. **Date of Material Change**

May 13, 2021

3. **News Release**

The Company disseminated a press release on May 17, 2021 disclosing the material change, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On May 13, 2021 the Company entered into a definitive binding amalgamation agreement (the "**Amalgamation Agreement**") among the Company, 2835517 Ontario Ltd. ("**Subco**"), a wholly-owned subsidiary of the Company, and Awakn Life Sciences Inc. ("**Awakn**"), which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of the Company by Awakn (the "**Proposed Transaction**"). The resulting issuer from the Proposed Transaction (the "**Resulting Issuer**") will carry on the business of Awakn.

5. **Full Description of Material Change**

Pursuant to the terms of the Amalgamation Agreement, the Proposed Transaction will be completed by way of a three-cornered amalgamation involving Subco amalgamating with Awakn to form a single, wholly-owned subsidiary of the Resulting Issuer. Shareholders of Awakn shall receive one (1) post-Consolidation (as defined below) common share of the Resulting Issuer for each common share of Awakn, and convertible securities of Awakn shall be exchanged for convertible securities of the Resulting Issuer on substantially the same terms and exercisable into such number of Resulting Issuer shares as the holder of such Awakn convertible security would have been entitled to, if it had been exercised prior to the completion of the Proposed Transaction.

In connection with the Proposed Transaction, the Company will reconstitute its board of directors and management team, consolidate all of its issued and outstanding shares on the basis of 1 post-consolidation share for every 42.5105 pre-consolidation shares (the "**Consolidation**"), and change its name to "Awakn Life Sciences Corp." or such other name as may be accepted by the relevant regulatory authorities (the "**Name Change**") and the Resulting Issuer will conduct its business under the new name. As a condition to the Proposed Transaction, the common shares of the Resulting Issuer will have been conditionally approved for listing on the NEO Exchange Inc. ("**NEO**"), and the listing of the Resulting Issuer shares on NEO will be subject to the satisfaction of all conditions of listing required by NEO.

The Amalgamation Agreement provides for certain other conditions to the completion of the Proposed Transaction, including Awakn completing a brokered financing (the "**Concurrent Financing**"), the Company obtaining the necessary shareholder and board approvals to

reconstitute its board and management, and effect the Consolidation and the Name Change, Awakn obtaining the necessary shareholder and board approvals to effect the Proposed Transaction, and other closing conditions customary for transactions of the nature of the Proposed Transaction.

### **Concurrent Financing**

In connection with the Proposed Transaction, Awakn plans to complete a private placement of subscription receipts with a syndicate of agents (the “**Agents**”) co-led by Canaccord Genuity Corp. and Eight Capital (together, the “**Co-Lead Agents**”) to raise up to 3,200,000 subscription receipts on a commercially reasonable efforts basis (“**Subscription Receipts**”) at a price of \$2.50 per Subscription Receipt (the “**Issue Price**”) for gross proceeds of up to \$8,000,000. In addition, the Agents shall have the option, exercisable at any time prior to the closing date of the Concurrent Financing, to increase the size of the financing by up to 480,000 additional Subscription Receipts for additional gross proceeds of up to \$1,200,000. Up to \$1,000,000 of the Concurrent Financing may be subscribed for by “President’s List” investors.

The gross proceeds of the Concurrent Financing, less 50% of the Agents’ cash commission (as described below) and certain expenses of the Agents, will be deposited in escrow on the closing date of the Concurrent Financing until the satisfaction of certain release conditions, including that all conditions precedent to the Proposed Transaction have been met (the “**Release Conditions**”).

Upon the satisfaction of the Release Conditions, each Subscription Receipt will be converted into one common share in the capital of Awakn (each, an “**Awakn Share**”) without payment of any additional consideration or further action on the part of the holder thereof. At the effective time of the Proposed Transaction, each Awakn Share will be exchanged for one Resulting Issuer Share (on a post-consolidation basis).

In the event that the Release Conditions have not been satisfied prior to 120 days following the closing of the Concurrent Financing (the “**Escrow Release Deadline**”), or Awakn advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Release Conditions or that the Proposed Transaction has been terminated, the aggregate Issue Price of the Subscription Receipts (plus any interest earned thereon) shall be returned to the applicable holders of the Subscription Receipts (net of any applicable withholding taxes), and such Subscription Receipts shall be automatically cancelled and be of no further force and effect.

In consideration for their services in connection with the Concurrent Financing, the Agents will be entitled to receive (i) a cash commission (the “**Agents’ Commission**”) equal to 7.0% of the gross proceeds raised under the offering (provided that the Agents’ Commission for President’s List subscribers will be 3.5%); and (ii) that number of warrants (the “**Agents’ Warrants**”) as is equal to 7.0% of the aggregate number of Subscription Receipts issued under the offering (provided that the Agents shall receive that number of Agents’ Warrants as is equal to 3.5% for President’s List subscribers). Each Agents’ Warrant will be exercisable into one Awakn Share at the Issue Price for a period of 24 months from the closing date of the Proposed Transaction. In connection with the completion of the Proposed Transaction, each Agents’ Warrant will be exchanged into one compensation warrant of the Resulting Issuer, which will be exercisable for one Resulting Issuer Share at the Issue Price of the Subscription Receipts.

The Subscription Receipts will be offered in all provinces of Canada and such other jurisdictions as Awakn and the Co-Lead Agents may agree, where the Concurrent Financing can be offered and sold without the requirement to file a prospectus or similar document. It is expected that the

net proceeds from the Concurrent Financing will be used for clinic openings, research and development, general and administration, and general working capital.

The Subscription Receipts issued in the Concurrent Financing will be subject to a statutory four month hold period. Upon completion of the Proposed Transaction and satisfaction of the Release Conditions, the Resulting Issuer Shares will not be subject to any hold period under applicable Canadian securities laws.

Closing of the private placement is subject to negotiation and execution of definitive documentation.

### **The Resulting Issuer**

Upon completion of the Proposed Transaction, the Resulting Issuer will carry on the business of Awakn, which is a biotechnology company with clinical operations, researching, developing, and delivering psychedelic medicine to treat addiction and other mental health conditions.

#### **6. Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

#### **7. Omitted Information**

No significant facts have been omitted from this Material Change Report.

#### **8. Executive Officer.**

For further information, contact Scott Munro, Chief Executive Officer of the Company at [pubcosrvc@outlook.com](mailto:pubcosrvc@outlook.com).

#### **9. Date of Report.**

This report is dated at Toronto, this 25<sup>th</sup> day of May, 2021.

### **Forward-Looking Information**

*This material change report contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, including statements relating to the Proposed Transaction and the completion thereof, the Concurrent Financing and the completion thereof, the Name Change, the Consolidation, the business of Awakn and the Resulting Issuer, the composition of the board and management teams of the Resulting Issuer, obtaining the requisite approvals, the listing of the Resulting Issuer's common shares on the NEO, and the satisfaction of the Release Conditions by the Escrow Release Deadline. All forward-looking statements, including those herein are qualified by this cautionary statement.*

*Although the Company believes that the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in the forward-looking information. These include: information concerning the Proposed Transaction; expectations on whether the Proposed Transaction will be consummated, including whether conditions to the consummation of the Proposed Transaction will be satisfied including obtaining receipt of all required regulatory and shareholder approvals; the timing for completing the Proposed Transaction; there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing; the business plans and strategies of Awakn and the Resulting Issuer, the ability of Awakn and the Resulting Issuer to comply with all applicable governmental regulations in a highly regulated business; the inherent risks in investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal in some jurisdictions; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; inconsistent public opinion and perception regarding the medical-use of psychedelic drugs; and regulatory or political change. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this material change report speak only as of the date of this material change report or as of the date or dates specified in such statements.*

*Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking information. For more information on the Company, investors are encouraged to review the Company's public filings on SEDAR at [www.sedar.com](http://www.sedar.com). The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.*

*This material change report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Company's and Awakn's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*